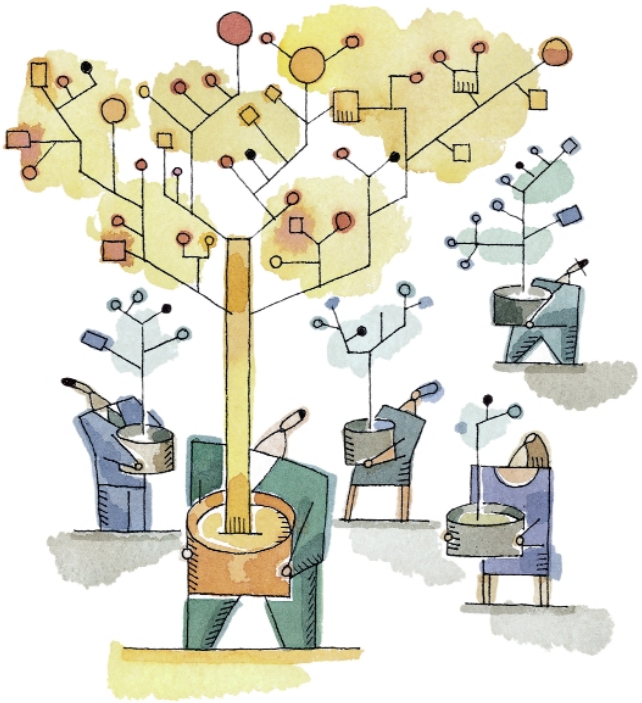
Community Catalyst

How Community Foundations Are Acting as Agents for Local Change



FINDINGS FROM AN EVALUATION OF THE COMMUNITY FOUNDATIONS INITIATIVE

THE JAMES IRVINE FOUNDATION

Community Catalyst

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Foreword

Community foundations have traditionally helped local donors support local charities. Increasingly, in California and across the country, community foundations are doing more — they are becoming active leaders within their communities.

Since 1995, The James Irvine Foundation has supported seven community foundations in California through the Community Foundations Initiative (CFI). While involved in the initiative, many of these community foundations have become actively engaged in important, sometimes controversial, regional issues. We refer to this role as "community catalyst," and explaining that role is the focus of this report.

By commissioning a broad evaluation of CFI to identify what worked, what didn't, and why, the Irvine Foundation, along with our seven community partners, learned how to enhance the impact of our philanthropic work. Once we decided to disseminate the evaluation's findings, we consulted practitioners in the field to determine which topics might be of greatest interest and value. The answer came through loud and clear: community catalyst work. In the pages that follow, you will see that the CFI yielded rich lessons regarding what it means and what is required for community foundations to become agents for positive local change. *Community Catalyst* tells the story of how four local foundations helped their communities meet challenges and make progress, and it explores what they learned about how to do this important work — and what we learned about how to support it. As always, we welcome your thoughts.

Mary G.F. Bitterman
President and CEO
The James Irvine Foundation
January 2003

A Role on the Rise

You're the CEO of a community foundation, and your community faces one of the following situations: Regional anti-growth and pro-growth advocates are clashing, to the detriment of smart growth efforts. A prominent politician is trying to organize community leaders to address rising crime. Skirmishes between city and county officials have brought efforts to build a homeless shelter to a standstill. The region's economy is tanking, and most players are too stuck in yesterday's grudges and skepticism to make any headway.

What can you do?

In four California locations, community foundations faced just these challenges. They responded with an understated form of leadership, quietly using tools at their disposal to help local residents make change. They didn't rush forward, proclaim themselves "leader" and ask others to follow. But they didn't shrink from the challenge, either, or hide behind traditional notions of what community foundations are supposed to do. The lesson learned was that community foundations can catalyze local change, and in the process boost their visibility and impact.

Increasingly called upon to help address local needs, community foundations have been stepping into a new role: community catalyst. The phrase has found a permanent place in the community foundation world's lexicon. However, many questions remain about what catalyst activity looks like in practice and how to do it effectively. What skills and capacity do community foundations need to do this work well? What are examples of successful efforts? How do foundations determine which community issues to work on? How can such catalytic activity best be supported? To help address these questions, we offer this report, designed for community foundations interested in learning more about this work and for private foundations interested in supporting them.

Lessons from the Community Foundations Initiative

The report comes from an evaluation, conducted by Public Policy Associates, of The James Irvine Foundation's Community Foundations Initiative (CFI). A seven-year effort begun in 1995, the initiative has supported seven California community foundations seeking to accelerate growth, build capabilities and generally become more effective in serving their communities. The Irvine Foundation has long recognized and supported the important role of community foundations throughout California, believing that the real potential of community foundations goes beyond the more traditional functions of asset building and grantmaking and resides in their ability to foster community. Typically serving a specific geographic area, these local institutions are well-positioned to help address grassroots concerns. As a result, the CFI encouraged participating foundations to expand their work as catalysts for local change. In many cases, they performed this role successfully. In other cases, results were mixed.

Through CFI, Irvine learned that serving as a catalyst is something more community foundations can do, and we believe it's something more community foundations *should* do. We found that community foundations are more and more often in a position to play this role — and their communities are frequently asking them to do so. At the same time, the catalyst role is not for everybody. Some community foundations jump into it prematurely — without the proper skills, resources and local credibility in place. Indeed, the CFI evaluation showed that, despite receiving similar support levels from Irvine, the participants today are at different levels of readiness and effectiveness as local catalysts.

Affirming what others in the field have also found, the CFI evaluation underscored the reality that to succeed in community action projects, community foundations must scale a steep wall requiring both capacity and commitment. They must devote significant resources, develop staff expertise and form a wide base of good relationships in the community. Their board and staff must be ready to play a leadership role and understand the subtle and sometimes tricky dance of community politics and perceptions. They must anticipate the implications — both promising and problematic — of the higher community profile often resulting from this activity. They must understand how to develop a repertoire of approaches to help communities wrestle with critical needs.

We hope this report helps fuel and inform a growing conversation about how community foundations can help residents solve local problems. We know that many who work for or with community foundations are hungry to learn more about what spells success. We came to this conclusion by asking individuals interested in doing or supporting catalyst work. Once the CFI evaluation ended, we interviewed 20 practitioners in the field[1] and asked them to rank, in order of interest, six topics[2] emerging from the evaluation. Topping the list of relevant topics was the catalyst role. We've organized this paper into four parts to address the questions these practitioners raised:

1. ***Considering catalyst work:*** "What is meant by *community catalyst* and how was it defined and measured in CFI?" "Why take on catalyst work?"

2. ***Spotlighting catalyst work:*** "What are some examples of community foundations doing this work successfully?"

3. ***Doing catalyst work:*** "What issues and lessons emerged for other community foundations interested in beginning this work, or in doing it better?"

4. ***Supporting catalyst work:*** "What lessons emerged for private foundations, associations and nonprofit organizations interested in helping community foundations play a key role in bringing about positive local change?"

[1] These included community foundation executive directors, community foundation association leaders, private foundation program directors involved with community foundation capacity development, and consultants to the community foundation field. For the complete list, please see Appendix C.

[2] The six topics were: (1) community foundations as local catalysts for positive change; (2) assessing two models for capacity growth — building philanthropy through affiliate funds and focusing on a single community issue through targeted grantmaking; (3) diversity in community foundation governance and decision-making; (4) enhancing impact through community foundation organizational development; (5) capacity building partnerships between private and community foundations; (6) translating private foundation grants into sustainable community resources.

Considering Catalyst Work

An Avenue to Impact

For this report's purposes, we use this working definition of "community catalyst": *A community foundation using the various tools at its disposal to help local residents make positive change happen on important needs or issues.*

"We're not one of the pieces, but if we didn't provide the **pressure and the glue,** the whole thing would fall apart."

Peter Pennekamp
CEO, Humboldt Area Foundation

Ultimately, *community catalyst* is simply an umbrella term covering a range of activities and roles a community foundation performs to support local change. In acting as catalyst, a community foundation may be a convener, a funder, a finder of other funding, a community organizer, a coalition builder, a grantmaker, a mediator, a staffer, a communicator, or all of the above. Pursuing catalyst work begins with the basic recognition that community foundations have many tools at their disposal — including, but also going beyond, making local grants. It also means respecting the reality that, even when they end up having a sizable impact on local action, community foundations typically must play a supporting role. Local leaders and residents are the key players.

Community foundations hardly agree about what community catalyst means in practice, or whether this is even the best term to describe their activities. One CEO, Mike Howe of the East Bay Community Foundation, a participant in the Community Foundations Initiative (CFI), says this definition may understate the case and may need to incorporate more of a sense of leadership. Howe believes the catalyst role has everything to do with the "organization's leadership skills" as well as its "willingness to take on issues." At the same time, he underscores that even if a community foundation takes the initial lead on an issue, implementation of solutions should be lead by a diversity of local stake-holders. Another CEO, Sterling Speirn of the Peninsula Community Foundation, cautions that the word "catalyst," though popular in the field, may strike some as too powerful, even arrogant. "It seems to say, 'We caused change to happen.' Sometimes we do, and sometimes we play more of a supporting role."

ca·tal·yst *(n)*: a substance that modifies and increases the rate of a reaction without being consumed in the process.

The American Heritage College Dictionary

Consider how one of Humboldt Area Foundation's local stakeholders defined the foundation's role in community efforts: "to provide the glue and pressure to hold the pieces together." "He got it exactly right," Humboldt CEO Peter Pennekamp says. "We're not one of the pieces, but if we didn't provide the pressure and the glue, the whole thing would fall apart." Pennekamp argues that how a community foundation defines its role in such projects often determines how much ownership its community takes in the projects — and, in turn, whether those projects succeed.

"Sometimes foundations think they're the ones making change happen, and people are more than willing for you to be the leader," says Pennekamp. "But we can't be the ones. There's a lot of data, particularly in public health research, that shows that top down simply doesn't work in community change. This isn't a public relations issue. It's an operating issue. When people feel we're the ones getting the credit, there's less community ownership, and the outcomes will be weaker."

To assess whether or not Community Foundations Initiative participants were effective catalysts for local change, the evaluator, Public Policy Associates (PPA), worked with participating foundations to develop both quantitative and qualitative measures:

Partnerships: On the quantitative side, PPA sought to measure the degree to which "the community foundation is increasingly a partner with other organizations in initiatives, partnerships, coalitions, joint projects and/or joint funding activities." Measuring gauged "the degree to which the community foundation is both reaching out and being reached as an important partner in community work. It speaks to the community foundation's ability to engage with other organizations on community agendas." To bolster performance on this measure, the CFI introduced partnership models and resources to help increase the community foundation's capability and visibility as a community partner — and, in turn, the likelihood of attracting others to work with the community foundation on a shared agenda.

Perceptions: On the qualitative side, evaluators used this measure: "Community leaders and stakeholders describe the role of the community foundation as one that increasingly fits the community foundation's self-defined role as a constructive catalyst." They tracked data from surveys and structured interviews of key community stakeholders. Through a CFI-funded community project, the program theory reasoned, the community foundation would both develop its catalyst role and promote evolving community perceptions and self-perceptions to align with that role.[3]

Why take on catalyst work?

Many feel community foundations can play an important role in helping **shape and advance responses** to community problems.

Participants in the Community Foundations Initiative point to several benefits from community projects, including new relationships, increased visibility, gratitude for taking on leadership roles, greater local credibility, and attracting new donors. Beyond the boon to community foundations, they also underscore the benefit to communities. Many community foundations can play a unique role in helping shape and advance responses to community problems. Sometimes, when no one else is providing leadership and wrestling with the tough local issues, a community foundation can provide the catalytic force to attract the attention and action of diverse players. Community foundations are often trusted as neutral and credible institutions without particular agendas to advance or axes to grind.

[3] For more information on CFI design and assumptions, see Section Four, *Supporting Catalyst Work*.

Some community foundations want to take on a more active role in community projects but shy away because they're concerned about the effects on donors, the lifeblood of local philanthropy. In fact, the experience of CFI suggests that catalyst work can actually help, rather than hinder, a community foundation's growth and relationship with donors. The East Bay Community Foundation, for example, actually used catalyst work as a strategy for growth. "When we first started this work, our foundation was pretty small, and it was one of our strategies for growing the foundation," says East Bay's Mike Howe. "If I were a community foundation, I wouldn't run away from it because we were small. One of the major takeaways is that you have a great opportunity to grow your community foundation if you do this work."

"Community foundations say to donors that the **difference** between us and commercial charitable funds is that we… **understand the community** and… effectively invest in the community."

Mike Howe
CEO, East Bay Community Foundation

Catalyst work tends to increase a community foundation's visibility and profile, and that in turn can attract new donors. Howe believes that local knowledge and engagement can help distinguish community foundations from commercial charitable funds in the eyes of potential donors. "Community foundations say to donors that the difference between us and commercial charitable funds is that we, one, understand the community and, two, effectively invest in the community. I'm inclined to think that the donors who have come to the foundation are the donors who should be here because they understand the foundation's unique resources and capacities."

The Peninsula Community Foundation's Sterling Speirn agrees. "The connections to the community make us better advisors to donors and help our responsive grantmaking and day-to-day work," he says.

Smaller foundations in particular should consider catalyst work, says Donna Fisher-Parker, Director of Development for the Baltimore Community Foundation. "Smaller community foundations are often worried about being broke, but this catalyst role can help you show the labor of your work," she says. "It can help people see the value of your organization, and see why they should want to give you money."

"This catalyst role… can help people see the **value** of your organization, and see why they should want to give you money."

Donna Fisher-Parker
Director of Development
Baltimore Community Foundation

Observers acknowledge that work on controversial local issues might raise concerns for some donors. It's a reality that should be managed, they say, not avoided. "Sometimes to be a leader you have to take stands," says Jan Kreamer, President of the Greater Kansas City Community Foundation. "The challenge is that you may stir up controversy, and how does this affect your ability to generate funds? We need to help community foundations understand that this is a dynamic that exists, that it can be managed, and that it is not a reason to avoid leading."

Many practitioners believe that community foundations don't have to have, or spend, a lot of money in order to have some impact on community issues. Yet they acknowledge that to undertake more comprehensive community initiatives, resources are needed — in particular

an ample supply of unrestricted dollars. "I wish all community foundations could be catalysts, but I recognize that many are limited by the fact that much of their resources are held as donor advised funds," says Barbara Kibbe, former director of the Packard Foundation's Organizational Effectiveness and Philanthropy program. "Those that can — and, I believe, should — pursue the role of catalyst for community change have secured a substantial unrestricted endowment." The challenge becomes helping donors to understand the importance of change within their community and to support it through financial contributions. For example, community foundations can work with donors to make donor advised funds unrestricted — it need not be an "either/or" choice.

Ultimately, whether or not a community foundation chooses to take on the catalyst role depends on its mission and what kind of long-term impact it wants to have. "I've seen some community foundations view their mission strictly to be that of a grant-maker," says Kate McLean, CEO of the Ventura County Community Foundation, a CFI participant. "The money comes in, and they have a staff or small program committee to make the grants. That's fine, though we would see it as a missed opportunity." When it began in 1987, Ventura's mission specified it would enhance the quality of life in the community through both grantmaking and increased civic engagement, participation and leadership. "If you're going to increase the quality of life and build philanthropy in the region, we think giving grants is just one piece of it," says McLean.

"The way for community foundations to **make their mark** is as catalysts."

Teri A. Hansen
President/CEO, The Venice Foundation

"The way for community foundations to make their mark is as catalysts," says Teri Hansen, CEO of The Venice Foundation in Florida. "The Cleveland Foundation started in 1914. People assume they started with a big gift, but that's not true. Their first gift didn't come until 1919. For five years, board members put their own money into studying community issues. For example, they learned that people were beginning to have more leisure time, and they created the blueprint for the entire Cleveland metro park system. This was the catalyst role."

Spotlighting Catalyst Work

Four Successes

The practitioners we interviewed asked for real-life examples of successes in catalyst work. Four of the seven participating community foundations in the Community Foundations Initiative fit that bill. They are the East Bay Community Foundation, the Humboldt Area Foundation, the Community Foundation Sonoma County, and the Ventura County Community Foundation. For the other three, according to evaluators, stepping into the role of community catalyst was premature. In some of these cases the missing ingredient was the right leadership; in others, staff and asset size were too small to sustain the role; in still others, the question was timing. Here we provide case studies of the four community foundations that were successful community catalysts.

East Bay Community Foundation

case study one

Founded in 1928, the East Bay Community Foundation (EBCF) is located in Oakland, California, and serves the Alameda and Contra Costa Counties that form the east side of the San Francisco Bay Area. A rapidly growing and sophisticated community foundation — as of January 2002, its assets, totaling $131 million, had increased ten-fold since 1993 — EBCF serves a large and diverse population. EBCF used its participation in the Community Foundations Initiative to nurture community philanthropy — specifically, to build affiliate funds to extend its reach to underserved geographies and populations in its region.

The foundation is involved in an array of initiatives and community partnerships. EBCF sees itself as a convener and catalyst, and, according to surveys, grantees and community stakeholders agree. More than half of the community stakeholders surveyed view EBCF as an active partner to a considerable or great extent. According to CEO Mike Howe, the foundation has crafted a recipe to play a leadership role in its community, as well as help it grow: "Develop a substantive capacity at the foundation. Improve the foundation's ability to carry that substance into the community. Make the case for change in the community. Bring resources together to think about the change, initiate it, carry it out and document it over time."

Public Safety Corridor Partnership. East Bay's catalyst work began soon after Mike Howe joined the foundation in 1993. California District Nine Assemblyman Tom Bates, who knew Mike Howe from previous work, sat down with Howe to discuss the rise in violent crimes

between youth and targeted at youth in his district, which included Oakland, Berkeley and Richmond. Bates and the mayors of those cities wanted to do something about this problem and asked the foundation if it would convene officials and experts to take action. "There was the sense that none of the three cities would be a good convener, and because the three cities were in two counties there wasn't a county base they could use," Howe says. A meeting between Bates, Howe and the EBCF board chair led the foundation to decide to take on the challenge of reducing violence.

Through convening and other support, EBCF helped the public officials form a partnership, in the end comprising 22 cities, 18 school districts, and 2 counties — including state legislators, mayors, county supervisors, county administrators, city managers, police chiefs, sheriffs, school district superintendents and community members. The partnership organized community congresses to discuss what steps could reduce violence. It assisted the cities in drafting legislation limiting the availability of certain kinds of weapons — legislation which passed in all cities. It also created one of the most extensive networks of after-school programs in the United States. Since then, violent crime has declined in the region.

The foundation's role included **convening** the group, helping serve in the partnership's leadership, **staffing** the partnership, and **funding** activities.

The foundation's role included convening the group, helping serve in the partnership's leadership (Howe sits on its board), staffing the partnership (it has two staff members on the project as well as consultants), and funding activities such as grant writing for the after-school programs and program evaluation. The foundation quickly recognized it could also add value in other ways. "We tried to make sure we raised any unpopular issues that weren't being dealt with in meetings so that they could get a full airing," Howe says. "Many of the people who sit on these boards tend to look at things incrementally and not push beyond the boundaries, particularly if issues are politically sensitive. Sometimes we were cheerleaders, at other times we were sandpaper critics."

Livable Communities Initiative. The Livable Communities Initiative promotes smart growth in land use and transportation planning, focusing on the "three Es" of sustainable development: economy, environment and social equity. The foundation, under the leadership of board member John Chapman, created the initiative and now partners with other foundations, elected officials, businesspeople, city and county staff, and the public to carry it forward. "The initiative goes into the community, works to identify leaders who are willing to look at these issues broadly, engages with them in discussions about smart growth and then supports them as they come up with proposed growth policies and solutions within particular areas," Howe says.

EBCF has two staff and consultants working on the initiative. To start the effort, the foundation first convened local leaders, providing information and experts to help broaden their thinking. "That's really important," says Howe. "You need to provide resources that go beyond the knowledge at the table and ground the conversation in research, particularly on issues where there's a lot of emotion around the design of communities."

Howe tells a story that illustrates a concrete way the foundation catalyzed local action around smart growth. Two adjacent cities, Pleasanton and Dublin, weren't working together on

planning issues. Edward Church, the Director of the Livability Initiative at EBCF, first reached out to the mayors of those cities individually. Then he took them down to a conference in Pasadena on smart growth, and brought them together for dinner two nights in a row to talk about a cooperative planning process. They've since taken some positive steps toward a cooperative agenda. Howe says, "It's a good example of how you put the catalyst role into practice."

Humboldt Area Foundation

case study two

Over the last decade, the Humboldt Area Foundation (HAF) has become one of the most effective community foundations at supporting local change. Founded in 1972, HAF is located in Bayside, just north of Eureka on California's North Coast. Community stakeholders see HAF moving away from simply reacting to the community's wishes toward a more active role in defining and dealing with community issues through convening and technical assistance. "At the older Humboldt Area Foundation, there was no convening, no interest in spurring action," noted one longtime observer. "Today there is lots of it."

Soon after Peter Pennekamp became the foundation's CEO in 1993, HAF began a period of creative community outreach. One pivotal moment, Pennekamp says, happened in a 1994 board presentation by Eureka's police department and woman's shelter. The groups highlighted the link between family violence and the region's seasonal economy: during the month after local timber mills closed, spousal and child abuse spiked. It caught the board's attention. "Our board was interested in getting upstream on the problem," says Pennekamp. "If we could make the economy and employment line less jagged seasonally, we could decrease family violence."

Community stakeholders see HAF moving away from **simply reacting** to the community's wishes toward a more **active role** in defining and dealing with community issues through convening and technical assistance.

"Then the Irvine Foundation showed up with the CFI and asked, 'If we could fund you to take on one issue in the community, what would it be?'" Pennekamp says. "We figured that the economy was the only thing that would get us upstream for a whole set of issues that we kept providing band-aids for downstream." At the time, the local economy was broadly acknowledged as broken. A politically factionalized region — with no dominant town or governing body — threatened efforts to work on the problem. HAF entered the fray with a credible position, Pennekamp says, "because we weren't seen as part of the problem, we weren't a player, and we weren't there to replace anyone's role."

HAF was considered the last resort. HAF responded by establishing and testing an approach to community organizing around economic development through a new vehicle — the Institute for the North Coast. They spent two years pulling together business, environmental

and civic leaders, talking through issues, and developing a regional strategy. They provided the space and hired facilitators for meetings. They held economic summits for the community. The result was an economic development strategy for the region, called "Prosperity," which was widely adopted by local leaders and residents as the region's economic agenda and today appears to be moving the area's economy forward at a faster rate than that of the state as a whole.

Pennekamp points to a couple actions as pivotal. One was a major survey of local residents that yielded important, and sometimes counterintuitive, data. "One of the most staggering findings was that — in a community that has been ravaged by environmental-timber wars and that has the image, from outside and in, of being divided along the economy-environment issue — the survey showed that image simply wasn't true and that the area was overwhelmingly environmental," Pennekamp says. Regardless of income level, location or employment, county residents agreed the area's greatest assets were environmental. "It took the sting out of the environmental-timber fight and started making it an issue for key parties to resolve as opposed to an issue where anyone feels afraid to say anything." HAF used this baseline data to identify an underlying consensus as a way to help a once factionalized community organize toward common goals.

When Humboldt County received **$22 million** in federal and state money for the purchase of the Headwaters Forest, advocates of the Prosperity strategy and the foundation were ready.

Another turning point involved bold action by the foundation. When Humboldt County received $22 million in federal and state money for the purchase of the Headwaters Forest, advocates of the Prosperity strategy and the foundation were ready. Local leaders saw the opportunity to use some of the funds to implement the Prosperity agenda. They immediately ran an ad in the local newspaper, signed by community leaders, urging that the money be spent using an inclusive community input process, clear criteria for adjudicating requests, and the involvement of only neutral, public-interested parties. Written at the foundation, the ad featured surprising allies. Its first four signatures: the area's last great timber baron; an environmentalist and former local mayor; the timber industry's attorney during some area timber wars; and the head of a regional environmental center.

Using its resources, the foundation was able to help **democratize** community deliberation and development.

"No one had ever seen those names together before," says Pennekamp. "It was a statement of independence from the old system, in which a group of good ol' boys would divide money like this among good ol' boy projects. Immediately we started getting calls from the board of supervisors saying they would have buckled, and this gave them the political shield to get something done. And all the people who were sick of the old system rallied to the Prosperity effort." Using its resources, the foundation was able to help democratize community deliberation and development.

Community Foundation Sonoma County

Based in Santa Rosa, California, Community Foundation Sonoma County (CFSC) has gained new community respect for its leadership and convening on some important local needs. Among a range of community activities, the foundation took on an especially thorny issue: building a homeless shelter. In doing so, they addressed an issue that had eluded resolution by local leadership. This was new, more complex catalyst work than CFSC had done before. One stakeholder describes it as evolving from a "polite" organization to one that takes risks. Many community leaders interviewed for the CFI evaluation now believe CFSC is the only institution that can be an effective broker on certain contentious local issues.

case study three

The homeless shelter story began when the then-head of the local chamber of commerce approached Kay Marquet, the foundation's CEO, to explore what could be done about rising homelessness in the area and the difficulties faced by local and county governments to move forward on finding sites for new shelters. They met with the foundation's program officer and began brainstorming possible approaches. Then the chamber head approached the foundation's board and asked them to lead an effort to convene community leaders on the issue. The foundation committed a $25,000 planning grant on the condition that it be matched; it was, with the City of Santa Rosa committing $10,000 and the County of Sonoma, $15,000.

CFSC promptly embarked on a lengthy process of bringing disparate players together to move the shelter process forward. The foundation acted as "the neutral convener," says Marquet. They put the first dollars on the table. They provided space and staff for the convenings. They commissioned supporting research. They brought together officials and staff from city and county government, as well as nonprofit organizations. To date, one homeless shelter has been established in the city; another awaits a site and action by the county.

CFSC promptly embarked on a lengthy process of **bringing disparate players together** to move the shelter process forward.

According to Marquet, one lesson from their experience is "how important it is to establish who should be at the table. With city and county government, we found it helpful to have both staff and elected officials. Electeds have the power and responsibility; staff do the grunt work. The combination works well." One thing CFSC didn't do as well, she says, was communicate the message of what a homeless shelter can be. "There were wild guesses of the worst that could possibly happen, but a shelter can be positive for the neighborhood. We should have articulated more of our vision of what it could be."

Entering into the politics surrounding the placement of a homeless shelter — with its seemingly built-in "not-in-my-backyard" neighborhood resistance — was no easy path for a young and more traditional foundation like CFSC. "There were some board members and donors who were nervous at the outset about whether or not the community foundation

should be so involved in such a hot topic," Marquet says. "But as time went on, we've been getting the feedback that it's a good thing our foundation stepped in, that we had a valuable role to play."

Entering into the **politics** surrounding the placement of a homeless shelter was **no easy path** for a young and more traditional foundation like CFSC.

The foundation has also played significant roles in several home-grown partnerships, including a partnership with United Way to study community assets and needs and one with the Resilient Communities Initiative to work with a local city to create services for low-income youth and families. "We are developing a community profile," one board member told evaluators. "We are emerging as a leader here."

Ventura County Community Foundation

case study four

Located in Camarillo, California, about halfway between Los Angeles to the south and Santa Barbara to the north, the Ventura County Community Foundation (VCCF) was founded in 1987. As a relatively new foundation, VCCF used its Community Foundations Initiative project to try to redirect philanthropic dollars flowing out of the region back into Ventura County. Informed by active community data gathering and listening, and using CFI resources as "seed capital," VCCF helped build its endowment and supported the growth of several fund-development initiatives focused on women, Latinos, and other previously untapped communities.

Community stakeholder surveys revealed a significant rise in VCCF's profile and credibility as a community catalyst as a result of recent efforts. Grantees reported increased community partnering, donors reported increased visibility, and staff reported heightened energy and innovation. Diverse stakeholders recognized the foundation's mission. One grantee emphasized that the foundation is "more than just about dollars. It's here to educate nonprofits and the public."

What likely planted that perception was VCCF's initial community catalyst work, a series of community needs assessments it conducted for Ventura County. "We recognized that our community didn't have any data that would help the community foundation, other funders or donors in understanding what the needs of the community are and where strategic investments can be made that would help make a difference," says CEO Kate McLean. Through commissioned research, the foundation identified issues such as affordable housing among other critical community needs. Through such projects, VCCF seeks to be a credible source of important community data.

Regional Civic Alliance for Ventura County. VCCF's flagship community initiative is the Regional Civic Alliance for Ventura County, one of a series of efforts around the state to deal with smart growth issues, and local stakeholders credit the foundation with effectively bringing constituencies often at odds into a dialogue about sustainable growth issues. The initiative comprises 50 leaders from the community, representing groups from each of the

"three Es" of sustainable development (the environment, the economy and social equity). Participants are spending 2002 studying community sustainable growth needs through three activities: a community asset mapping survey, a community partners network to discuss and learn more about growth issues, and a regional indicators study focusing on the region's economy, environment and civic engagement.

How the alliance began says a lot about VCCF's approach to community catalyst work, and about how catalysts must persist and follow through to be effective. For years, says McLean, people in Ventura County had heard good things about Joint Venture: Silicon Valley Network, a coalition tackling regional problems in Silicon Valley, and wanted to establish a similar initiative to educate and mobilize leaders around Ventura County issues. "But it never got off the ground, and one reason is that there were competing elected officials and other interests who wanted to lead this using their own model, doing it their own way," McLean says.

How the alliance began says a lot about VCCF's approach to community catalyst work, and about how **catalysts must persist** and follow through to be effective.

Years later, when she saw changes in the county's political relationships and organizational infrastructure, and saw that the different elements were starting to "come together as a community," McLean invited Nick Bollman, a former program director at the Irvine Foundation and now executive director of the California Center for Regional Leadership, to meet with community leaders and explore a regional initiative's viability. "So we brought him down and pulled together some major civic players. I said, 'Go make nice,' and started to leave the room. They asked, 'Where are you going?' I said, 'I've brought you all together, the people who can make it happen — now go make it happen.' And they said, 'No, you gotta stay here, we need that neutral person.' They convinced me that the foundation needed to stay involved because of our perceived leadership and neutrality."

VCCF maintained a leadership role, subsequently convening a much larger group for a regional issues conference as the first step in establishing the regional alliance. One reason this conference, and follow-up conferences, are regarded as successful is that they focused on pivotal questions, triggering important community conversations. Those questions included: Is Ventura County a region? Could it be? What are the blocks to regional leadership? How can we go forward? The foundation organized and funded four conferences over the next half-year. It hired a full-time employee and a consultant to staff the work. It applied to the Irvine Foundation for a grant to fund the regional alliance's planning phase.

One critical step in the undertaking, McLean says, was identifying who would participate in the alliance. Planners developed a rigorous framework specifying that the Alliance include people from each of the county's 10 cities; have a balance of people from the county's eastern and western parts ("like many counties, ours has an east-west divide," says McLean); have a balance of people from each of the three Es (environment, economy, social equity); and have a gender and diversity balance. "We looked for participants who had leadership skills and networks through which we could disseminate information and mobilize people," McLean says.

Doing Catalyst Work

Ingredients, Timing, Tactics, Politics

How can your organization succeed as a community catalyst? The community foundation practitioners we interviewed asked for real-life examples of successes, and the case studies in the previous section provide four such examples. They also wanted to know about lessons learned from CFI regarding key issues in this work. Here we focus on four issues that emerged: What institutional ingredients are needed to be a good community catalyst? When is a good time to engage in a community issue? What tactics have worked? Should a community foundation be neutral or an advocate in catalyst work?

Issue one: What institutional ingredients are needed to be a good community catalyst?

Evaluators found that the CFI foundations are today at disparate stages of ability to carry out catalyst work effectively. Some had succeeded in promoting and supporting local change efforts. Others weren't quite ready to take on a catalytic role, lacking the resources to support information gathering, sponsor community input processes, and (due to limited discretionary grantmaking funds) make and leverage investments in community planning and agenda-building processes. The unequal progress, despite similar levels of support, raises the question: What ingredients are needed to succeed? Public Policy Associates identified the following factors that contribute to community foundation readiness to act as a catalyst:

- *Capacity.* What is the community foundation's institutional capacity to work on a topic? Success factors include experience, staff capacity, resources to apply to work, and relationships with key stakeholders (real or perceived).
- *Commitment.* What is the level of overall interest of board and staff in working on any particular areas of interest or focus? How is this level of interest perceived by other key community stakeholders?
- *Credibility.* What is the demonstrated historic experience and credibility of the community foundation in playing a catalytic role (on this topic and/or other topics)?
- *Knowledge.* What is the community foundation's understanding, reflected on the part of the board and executive, of the potential catalyst topic and its implications?
- *Need.* Is there a vacuum, impasse or other clear need for community leadership on a topic? Is there a cross-section of community leadership that needs someone to "pick up the ball" on a particular local challenge?
- *Priority.* Does the community foundation consider the topic an institutional and community priority?

Capacity and commitment. Overall, the CFI evaluation found that the requirements for successfully engaging in catalyst work are high, and that the most critical requirements are *capacity* and *commitment*. A community foundation's ability to make a leap to more catalytic work depends on its skills, resources, and board and staff commitment to carry out the work.

Many community foundation CEOs who have led successful catalyst efforts say the first step is recognizing it could mean substantial money and time. "When you first get into this work, you might assume that the undertaking is fairly simple and straightforward," says Mike Howe, the East Bay Community Foundation's CEO. "It's not simple, it's not straightforward, and it takes lots of resources. In some cases, you might have to rely on your own resources, but in virtually all of our initiatives we've convinced other funders — both public and private — to invest their resources."

Overall, the CFI evaluation found that the most critical requirements for successfully engaging in catalyst work… are **capacity** and **commitment.**

At the same time, many practitioners contend that a community foundation's size and stage of development are far less significant factors in readiness to be a catalyst for local change than are leadership skills and commitment. Community foundations don't have to have huge assets or a large staff to succeed in playing a catalytic role. Smaller foundations with smaller endowments are often just as capable as larger ones at supporting local change.

As for grantmaking's role in supporting catalyst work, one finding from CFI is that playing a strong catalyst role on a given topic is likely to focus unrestricted grant dollars on that topic. Of course, the bigger issue for community foundations is how well that grantmaking money is used. "The key question here is: Is the impact of the grantmaking money measurable, and is that money well leveraged," says Elan Garonzik, a program officer at the Charles Stewart Mott Foundation. "For example, $100,000 strategically invested in an issue that is so catalytic that it attracts $2 million in funds from government and other sources is a very good use of unrestricted dollars, and of the catalyst role."

CEO leadership and board support. If money, staff and time exemplify "hard" requirements, equally vital are "soft" requirements such as the leadership skills of the CEO and staff, organizational culture, readiness to take risk and credibility in the community. Within the CFI, the executive's character and vision, shaping the community perception and day-to-day direction of the foundation, emerged as critical. The evaluation confirmed a simple formula: If you have good leadership, you'll have good outcomes. The evaluation also underscored the need to nurture staff and draw others into that vision. To be an effective catalyst, a community foundation needs a strong CEO — and a strong staff. Indeed, the central factor cited in why three CFI participants were not as successful was leadership and staff capacity. In some cases, the CEO lacked the disposition and personality for this kind of work, and the staff lacked the right skills, competencies and networks. Practitioners uniformly say that CEO abilities cannot be overestimated as a key institutional ingredient for successful catalyst work.

Likewise, a community foundation board must be committed for the long haul if catalyst work is going to succeed. Practitioners consulted in the development of this paper say the

importance of board support can't be emphasized enough. As one example of how board ownership was built, The East Bay Community Foundation undertook a three-year strategic planning process for each of its community initiatives. The process involved the board as well as staff and community constituencies, and the resulting strategies and activities were revisited by the board on an annual basis.

"Both board and staff have to want to be leaders," says East Bay's Mike Howe. "If they don't want to be leaders, or don't feel they have the background or skills to be leaders in a particular area, they shouldn't take it on." According to Mott's Elan Garonzik, "The role of the leader is key. The catalyst role often emerges from the person in charge. A more dynamic, engaging CEO will be out front and in the community as a catalyst. An entrepreneurial CEO often has a catalyst focus." Board support is also, of course, crucial. Community foundation CEOs tend to grasp the catalyst role more readily than board members, who often see their charge as focusing more on asset development and fundraising. At the same time, board member endorsement of catalyst activities emerged as a key ingredient in the success of the four CFI successes profiled earlier. One lesson is to include the catalyst facet of a community foundation's potential in orientations for new board members.

According to Sterling Speirn — whose Peninsula Community Foundation is regarded as one of the field's exemplars of effective and entrepreneurial community catalyst work — credibility in the community is crucial, and it all starts with how the community foundation approaches its grantmaking. "Being a community catalyst really is the litmus test of the foundation's credibility in the community, and that credibility is based on its bedrock — responsive grantmaking," Speirn says. "If you have good relationships and positive perceptions from your grantmaking, people will welcome you as you exert more of a catalyst role. Some foundations may have grantmaking that is very old-fashioned, guideline-driven and based on a 'we're the grantmaker — you're the grantee' kind of relationship. For them, it will be difficult to suddenly say, 'Now we're going to act as a convener, a community partner.' There's a connection between your organizational culture and how you're perceived in the community."

> "To me, the person who seeks personal power through this work is not going to be as successful as one who seeks to be a **good catalyst**, who is more into empowering others. You have to feel your success in making others successful."
>
> **Kate McLean**
> **CEO, Ventura County Community Foundation**

Ventura County Community Foundation CEO Kate McLean agrees. An important requirement for catalyst success is that the foundation — staff, CEO, and board — have a community-focused culture and mission. In supporting VCCF's catalyst work, she says, "our board was able to see past the measurement of a successful community foundation just being how big your assets are. It starts there. To me, the person who seeks personal power through this work is not going to be as successful as one who seeks to be a good catalyst, who is more into empowering others. You have to feel your success in making others successful."

Issue versus process expertise. Many community foundations wonder what expertise is needed to succeed in the catalyst role. Often it depends on the foundation's size and

maturity and the scope and stage of its community projects. "Early on, community foundations should be the expert on the convening process, not necessarily the content experts on any topic," says Helen Monroe, Founder and CEO of the Endowment Development Institute, an organization working primarily with new and younger community foundations. "Large community foundations might need more knowledge or expertise on a topic, but the small foundations need to be generalists. This is a more helpful and realistic position for them to take."

"Early on, community foundations should be the expert on the **convening process**, not necessarily the content experts on any topic."

Helen Monroe
CEO, Endowment Development Institute

Kate McLean, head of the medium-sized VCCF, believes topic expertise, especially in the CEO, is not essential to being a good catalyst. "In our work on managing local growth, for example, the CEO has to value and understand the concept of the three Es, but I don't think you have to be the expert on the environment, economy or social equity. We've done convenings in the community around a variety of areas, and I've always felt that our expertise is bringing the right people to the table, not trying to convince people that we are the experts." East Bay's Mike Howe, who presides over several comprehensive community initiatives and a large community foundation, agrees that the foundation's leaders don't necessarily need to be experts on an issue. "But they need to have someone they can call upon who has that expertise, be it a colleague or consultant," Howe says. "It's the ability to bring to the table sufficient background and expertise so that people will look at the foundation as a thought leader and a change leader."

Practitioners agree that **process skills** are the essential ingredient to catalyst success, including skills at meeting facilitation, communications, policy analysis, and, in particular, **community engagement** and community politics.

For certain more comprehensive initiatives, community foundations may find it important to have leaders, staff or local resources with expertise in the particular community issue being addressed. But practitioners agree that, in general, process skills are the essential ingredient to catalyst success, including skills at meeting facilitation, communications, policy analysis, and, in particular, community engagement and community politics. With regard to engagement and politics, successfully playing the role means knowing: Who should be at the table and who shouldn't? How can we commandeer needed participants? How can we resolve tensions among community factions and players?

Issue two: When is a good time to engage in a community issue?

Once community foundations get some catalyst activities under their belts, they must wrestle with growing demand — both internal and external — to play this role. This forces them to be more strategic in making decisions about how and when to undertake a community leadership role. Several community foundations, including two CFI participants (Community Foundation Sonoma County and Humboldt Area Foundation), have developed more formal

criteria for making these decisions. In Sonoma, criteria are built into a checklist guiding staff and board discussions and decision making. Having these criteria in place leads the staff and board to review potential topics for community foundation leadership in light of key questions:

- Does the potential engagement fit with Community Foundation Sonoma County and its mission?
- Does it address a compelling need in the community?
- Are there credible partners and a process to develop and sustain the initiative?
- What are the risks and returns to the foundation and the community?
- Does it raise too many red flags? ("Red flags" are spelled out as items ranging from "Is it way out there?" to "Is it clearly partisan?" to "Is it chasing money for little strategic value?")

"You want to pick your targets and be very opportunistic in the best sense of the word," says the Peninsula Community Foundation's Sterling Speirn. "I was speaking to another community foundation's board and staff, and they said, 'We've decided to do an initiative on K to 12 school reform.' And I looked at them — they're a young and small foundation — and said, 'I could never take on something like that. Your donors may care about school reform, but it may be too hard and complex to take on under the community foundation's umbrella at this time." If a community foundation does take on such tough issues as school reform or race relations, Speirn says, it better have the competency, credibility and community relationships to carry it out. "We can't just jump into things without thinking about whether we can really add something of significance."

"You want to **pick your targets** and be very opportunistic in the best sense of the word… We can't jump in without thinking about whether we can really add **something of significance**."

Sterling Speirn
CEO, Peninsula Community Foundation

Indeed, one reason that some CFI participants faltered in their community work was in tackling deep problems — such as raising youth graduation rates — that exceeded their capacity. "You have to be very strategic from the start," says Mike Howe. "You can't go in blindly. You have to look at the issue, decide whether or not you have the capacity to take the issue on, and determine if there are outside resources available to use. And then you have to make sure that as an organization — trustees and staff — you are of like mind about what it is you're doing and how you're doing it."

Starting small. At the same time, engaging in a community issue doesn't necessarily mean you have to start big. According to Speirn, the easiest first step — one for which the value is often minimized — is to do an open-ended convening, with no agenda or commitment to doing anything more on the issue. "Once you get people in a room," he says, "almost always connections and sparks and synergies start to happen. Just be there to take notes… and see where it goes from there." Speirn tells the story of how one such open-ended convening his foundation held with high school principals from the area quickly led to a modest intervention as well as paved the way for future partnerships.

> "It's really hard running a high school, and it would have been very arrogant to come in and say, 'We want to help reform your high school.' Instead, we asked them to simply tell us about their work. We asked, 'How much of your budgets do you have discretion over?' They said, 'The only money we really have discretion over comes from the soda machines and telephones: about $65 a month.' They're running multimillion dollar businesses, with parents, students, unions, community — you name it, all the constituencies to juggle — and they have discretion over *$65 a month?* No money to reward great teaching, or to fund a teacher over the summer to develop a new curriculum. How could you possibly exercise your leadership and employ resources where they were needed?"

Peninsula Community Foundation staff left that three-hour discussion trying to figure out how to support the principals. The answer was obvious: grant them each $10,000, let them spend it how they want, and report back to the foundation how they spent it. In its major community initiatives, the foundation is highly systematic and strategic, but even those comprehensive efforts came from good relationships established through earlier, more modest collaborations.

Issue three: What tactics have worked?

Through evaluation, CFI participants were observed using six main tactics to help catalyze local change.

1. ***Recruit players:*** Ventura's Kate McLean says one of their most important acts was to rigorously identify the people who would participate in their alliance for smart growth. Many of the CFI foundation CEOs emphasized how valuable — and often lengthy — the process of identifying players in even the most fledgling efforts can be. With their community-wide perspectives and relationships, community foundations are often in a pivotal position to ensure that local efforts are sufficiently broad and inclusive.

"Organizing **unprecedented conversations** is one thing community foundations can do very well."

Janet Topolsky
The Aspen Institute

2. ***Convene opportunistically:*** Among the catalyst tactics used by CFI participants, initiating discussions to address community needs emerged as one of the most common and cost-effective. Convening enables community foundations to broaden conversations, learn community needs, resolve conflicts, and brainstorm possibilities. "Organizing unprecedented conversations is one thing community foundations can do very well," says Janet Topolsky of the Aspen Institute. "I love Tony Proscio's books on philanthropy speak,[4] but he got it wrong when he dismissed 'convening' as jargon," says Peninsula Community Foundation's Sterling Speirn. "'Convening' is not just jargon for committee meeting. It's truly a term of art which means bringing people together for an open-ended, opportunistic and inclusive conversation."

[4] See *In Other Words: A Plea for Plain Speaking in Foundations,* by Tony Proscio, published by the Edna McConnell Clark Foundation.

3. ***Create partnerships:*** Catalyst work by CFI participants frequently involved partnering with other community institutions in joint efforts to address local concerns. Over the course of the initiative, participants developed an increased number and variety of partnerships with nonprofit, private and public organizations as a way to carry out initiatives, leverage investments and mobilize community participation. Partnering involves a more understated, "soft sell" approach that many community foundations welcome as a counterbalance to their usual "hard sell" ("we are here to get money and/or give it away"). Sometimes catalyzing local change involved behind-the-scenes introductions, improvement or repair of the relationships key to community action. Ventura County Community Foundation staff mended a rift between two local nonprofits. East Bay Community Foundation staff initiated a dialogue around urban planning between two adjacent cities historically at odds.

Partnering involves a more understated, **"soft sell" approach** that many community foundations welcome as a counterbalance to their usual "hard sell."

4. ***Research and highlight issues:*** Neutral, credible, and often persuasive, data have proven to be valuable currency for community efforts. For the four profiled community foundations — East Bay, Humboldt, Sonoma and Ventura — community and grantee surveys, community needs and assets assessments, and commissioned research were critical ingredients in determining priority needs, establishing consensus, informing the community and determining grantmaking strategy. "In our county, which has lacked a leadership structure with credibility to speak out on issues, everybody who's come to the table has felt that we could add the most value as a credible source of data," Ventura's Kate McLean says. By communicating research and issue information strategically, community foundations can highlight important issues on the public agenda and share lessons learned from their work. For example, Humboldt did this by broadly communicating opinion survey results, helping develop and place an advertisement signed by local leaders, pushing for an objective process on the disbursement of new state and federal funds, and creating and distributing a poster on the North Coast's economy that was eventually posted in dozens of store windows and incorporated into educational curricula.

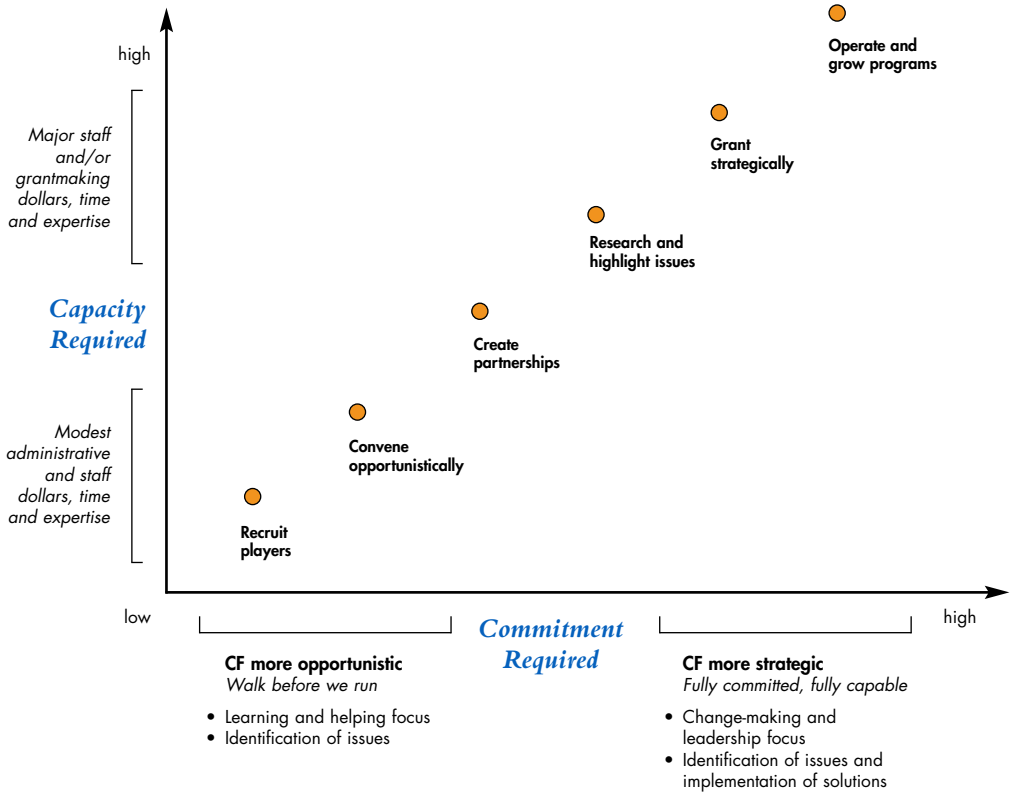
By **communicating** research and issue information strategically, community foundations can highlight **important issues** on the public agenda and share lessons learned from their work.

5. ***Grant strategically:*** Several CFI participants moved a good distance away from the more traditional "let a thousand flowers bloom" approach that characterized their work in early years to prioritizing and bundling their grantmaking to address important community needs. This shift was helped by using CFI funding to take on a major community project as well as shepherd community and organizational needs assessment and priority-setting efforts. CFI participants also increased the cross-pollination of donor relations and program staff to more actively guide donors toward community needs and interests.

6. ***Operate and grow programs:*** Several foundations involved in CFI not only funded but operated initiatives in-house. For example, East Bay staffs and operates four community initiatives, including its Livable Communities Initiative and Arts Education Initiative, each of which has two full-time staff as well as consultants. Raising funds is a key component. By serving as fundraiser, seed funder or fiscal agent and intermediary for private foundations, community foundations can ensure sustainability for local initiatives, leverage their investments, and help private and public funders make better investments in local communities. One key, as the Mott Foundation's Elan Garonzik says, is to find an issue "so catalytic" that it attracts multiple funders.

A CONTINUUM OF COMMUNITY CATALYST TACTICS

Understanding the six catalyst tactics in terms of capacity and commitment required



Issue four: Should a community foundation be neutral or an advocate in catalyst work?

One significant issue emerging from CFI community activity was perceived tensions between a community foundation being a "neutral convener" or an "issues advocate" in its community work. Should a community foundation involved in local work strive to safeguard its neutrality? Or should it be prepared to stake out strong policy positions? The extent to which community foundations must be neutral vehicles and offer "all things to all people" begins to rub against their potential to help focus a community on a few priorities. Will they become less attractive to some if they lose their sheen of neutrality and institutional aloofness from local politics, along with the credibility that goes with these attributes?

How much tension there is between "neutral conveyor" and "issues advocate" depends on the issue at hand, says the Aspen Institute's Janet Topolsky. "There are many issues where there is congruity at a values level and where a community foundation can therefore get everyone to agree that something needs to be done, without creating controversy. This is very different from a community foundation getting in between the 'tree huggers' and 'tree cutters' on an environmental issue." Community foundations need to recognize that the perception of neutrality could quickly be blown away if they pursue catalyst work on polarized issues with stiff political crosscurrents.

"Community foundations often have to take a stand with regard to who does community development work, an issue that is often politically charged," says Linetta Gilbert, a program officer for Community Philanthropy and Civic Culture at the Ford Foundation. "If a community foundation can be clear about how it should be involved, and how residents should be involved, it helps." "It's hard to stay completely neutral when you're involved in community issues," says Kay Marquet of the Community Foundation Sonoma County, "but you may be more neutral than other players. And you may be the only entity in your particular area who can move it forward."

> "It's hard to stay completely neutral… but you may be **more neutral** than other players. And you may be the **only entity** in your particular area who can move it forward."
>
> **Kay Marquet**
> **Community Foundation Sonoma County**

For Mike Howe, whose East Bay Community Foundation doesn't shy away from taking on tough community issues, neutrality is not important — or, for that matter, possible."I would say we're an even-handed convener, but we're certainly not neutral. Every time you take on an issue, you value that issue. There's no way you can be neutral, and to the extent you're neutral you take away that which you bring to the community — your belief and energy around these issues, and the fact that you value them."

Taking a position. For an organization such as the Ventura County Community Foundation, neutrality is the lifeblood of catalyst efforts, says CEO Kate McLean. In its work on the Regional Civic Alliance of Ventura County, VCCF has struggled with its partners over the neutrality question. "In our county, we've not had any kind of leadership structure that has credibility to speak out on issues," McLean says. "So everybody who's

come to the table has felt that we could add the most value if we were a credible source of data that no one *could* challenge as biased." The Alliance has resolved to stay a neutral, objective data source and forum for discussing that data. But they *will* step in and advocate a position on a community issue — if eight established criteria are met:

- The issue is of paramount importance to Ventura County's future.
- The Alliance's position has overwhelming consensus among Alliance participants (defined as 92 percent, or 46 of the 50 members).
- There is no other group that can fill the gap or take on this role.
- The position is fully consistent with the mission, principles and values of the Alliance.
- The position is deeply grounded in an objective analysis of the issue.
- By taking a position, the Alliance adds significant value and weight to the policy debate.
- The Alliance's intended policy outcome is agreed upon and achievable.
- The position will not compromise the Alliance's credibility in the community.

VCCF found out the hard way just how critical the neutrality perception is, in a misstep illustrating the delicate balancing act a foundation has to perform supporting politically sensitive work in a historically balkanized region. "In our community at the time were two competing affordable housing committees — one made up of the business sector and the other predominantly of the social equity sector — and the two groups didn't like each other," says CEO Kate McLean. A foundation staff member was asked to speak on behalf of the Regional Alliance and accepted. During her speech, the staffer let her leaning toward the social equity housing group be known, as well as implied the Alliance would take a certain issue position when it hadn't yet done so. Predictably, McLean soon got a call from the chair of the business housing group. "It almost killed the Alliance," she says. One concrete lesson from this experience was the importance of a community foundation having a single spokesperson, especially in high-profile community projects. And a broader lesson emerged: "how important it is to put aside personal beliefs if you really want to be a good catalyst," says McLean. "It's an extraordinarily slippery slope, particularly when you have bright people, like my staff, who have opinions. Within the foundation, we may have a strong opinion, but that's not our role in this job. Our role is to bring out other people's opinions and help bring a resolution of issues."

"Our role is to **bring out** other people's **opinions** and help bring a resolution of issues."

Kate McLean
CEO, Ventura County Community Foundation

For several participants in the Community Foundations Initiative, the difference between being a neutral convener and an advocate for change is the difference between pushing for an outcome and pushing for a *particular* outcome. "If you're a neutral forum," adds McLean, "it doesn't mean you're passive — you're being very active. And that was one of the hardest things to get across to people. When you're a neutral convener, you're incredibly active in bringing objective data and the right people to the dialogue in order to consider all sorts of possible resolutions to the issue and push for a resolution."

Supporting Catalyst Work

The CFI Approach and Lessons Learned

Incorporating findings from the evaluation of the Community Foundations Initiative, reflections by participating community foundations and discussions with field practitioners, this section describes key CFI approaches and lessons learned for private foundations and intermediaries interested in supporting community foundation catalyst work.

How did the Community Foundations Initiative support community foundation capacity development and catalyst work in particular?

A seven-year effort, begun in 1995, to build capacity in seven different community foundations in diverse parts of California, the CFI funded participating foundations to do one of two types of community projects — either build community philanthropy or conduct a substantive, issue-based project to engage the community. The initiative aimed to support four overall outcomes for participating foundations, including increase their expertise as community catalysts.[5] The CFI strategy rested on five key assumptions:

1. A visible, strategic community project will help the seven CFI community foundations gain recognition and credibility with important local constituencies.
2. As recognition and credibility grow, newly built relationships will help the community foundation identify and respond to local issues and attract a new and more diverse pool of donors.
3. CFI organizational support will help each foundation solidify its infrastructure and achieve planned growth.
4. CFI's flexibility will ensure that community foundation strategies and projects are consistent with the unique needs and interests of both the community foundations and their communities.
5. In gaining experience and credibility in their communities, the community foundations will be positioned to help Irvine and others make meaningful local contributions.

According to evaluators, the Irvine Foundation promoted and supported community catalyst work among the participants in several ways. One was to identify — and adhere to — working principles about the catalyst role's importance and execution. In particular, Irvine emphasized learning more about communities through data gathering and outreach. Discussions among the participants and Irvine encouraged feedback, reflection and, ultimately, some fundamental changes within the community foundations, with these

[5] The four outcomes: strengthen internal infrastructures and improve grantmaking capabilities; increase expertise as community catalysts, conveners and strategic grantmakers; enhance their abilities to manage external relations and engage their respective communities in philanthropy; become effective and viable partners with the Irvine Foundation in serving their respective communities.

changes going to the heart of what their work is and how they're organized to do it. This was particularly evident in the four community foundations profiled in this report's case studies: East Bay, Humboldt, Sonoma and Ventura.

Another, more concrete method of supporting catalyst work was to introduce real-life models through peer sharing. A good example was the facilitation of a presentation to the board of Community Foundation Sonoma County by Sterling Speirn, CEO of the Peninsula Community Foundation, an experienced community foundation in the catalyst arena. Funding technical assistance and strategic planning support, provided by consultant Alan Pardini and others, with enough flexibility so the community foundations could adapt to their particular circumstances and institutional character, also helped. The evaluator also pointed to the Irvine Foundation itself — noted for a strategic style of grantmaking, flexible relationship with grantees, operating values of inclusion and partnership, and a track record of its own catalytic work in California — as an important ingredient and model for some participants. The community foundations cited such intangibles as Irvine's "values," name recognition and "psychological energy" as helping to shape and boost their work in communities.

What was learned about supporting community foundations in catalyst work?

1. ***Agree on values and goals:*** The CFI experience and evaluation found that private funders need to be explicit about the values associated with asking and funding a community foundation to play a catalyst role. In doing so, a foundation essentially says, "We think it is a good and needed thing for a community foundation to use its tools and resources to help make change happen in the community around important needs or issues." A private foundation helps its investment by being explicit and getting agreement that both sides think catalyst work is an important undertaking they want to do. Resolving this on the front end will reduce the chances that there will be ambivalence among the community foundation's board or staff about whether the community foundation really can and should play a catalyst role. In certain cases in CFI, such unresolved ambivalence undermined progress.

The CFI experience and evaluation found that private funders need to be **explicit** about the **values** associated with asking and funding a community foundation to play a catalyst role.

2. ***Determine capacity and commitment readiness:*** Once these agreements are made explicit, it's critical to determine, working with the community foundation, its capacity levels and readiness. At what developmental stage is the community foundation? How would investing in capacity help it play a more catalytic role? What form of capacity is needed? In hindsight, some community foundations participating in CFI weren't yet ready for catalyst work. They were what we might term "pre-catalyst," needing more staff capacity, community knowledge, and financial resources than they had. For these community foundations, it was premature to ask them to run a substantial program as a way to learn to do catalyst work. Instead, it would have helped them move down this road to identify more modest activities that could help them to learn more about the community and its needs, build new

relationships, build more staff expertise, and raise more resources to be able to play a larger role in the future.

3. ***Consider the organization's DNA:*** To best assess readiness, Ventura's Kate McLean suggests private foundations begin by looking at a community foundation's mission and culture and asking how the institution measures success. "If their only measurement of success is their assets, then they're not going to be satisfied doing this work, because it takes a lot of time and work that might be otherwise spent out there meeting with donors." Similarly, Humboldt's Peter Pennekamp urges private foundations to get a sense of the basic "DNA" of the organization. "If you have a meeting with the board and staff and all they talk about is money, you need to figure out whether it's worth doing a trial with them. If they're a more traditional foundation, are they open to learning? Are they frustrated with the limitations of the work they're doing now? Or do they basically think it's great? Private foundations should be looking for the right institutional fit — and not assume that the word 'community foundation' in and of itself answers questions."

4. ***Understand the power dynamics:*** "The power dynamics are very important to understand in this work," says Barbara Kibbe, former director of the Packard Foundation's Organizational Effectiveness and Philanthropy program. "If we promote the catalyst role, does it look like we are trying to set the strategic direction for these community foundations?" Explicitly and mutually agreeing that the community catalyst work is worth doing, as mentioned above, is a first step to avoiding such dynamics. CFI neutralized some potential "top-down" pressures by having the individual community foundations choose their community catalyst project, based on local needs and institutional priorities.

Private foundations often look to community foundations as important **potential partners** in communities, and community foundations often look to help private foundations **invest more and better** in their local communities.

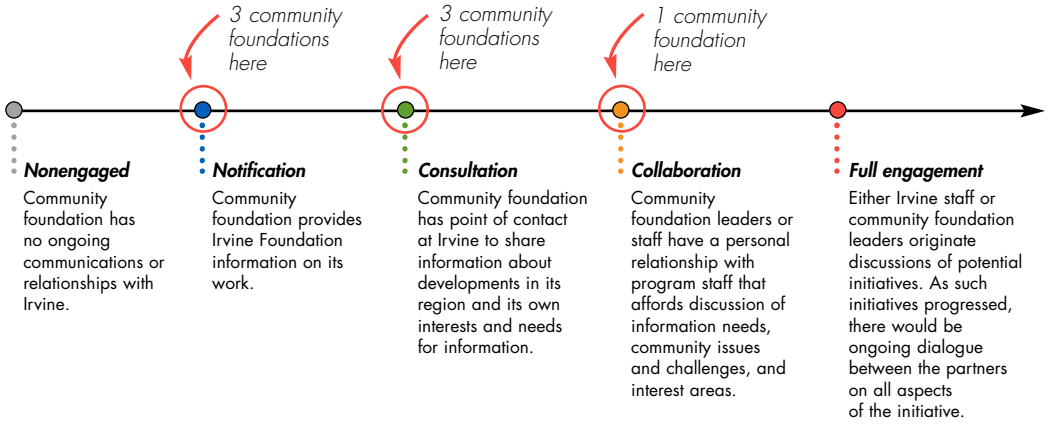
5. ***Grow the partnership:*** Private foundations often look to community foundations as important potential partners in communities, and community foundations often look to help private foundations invest more and better in their local communities. How well either of these goals are advanced largely depends on the quality of partnership between the two. As partnership was a key CFI goal, evaluators developed a continuum of partnering relationships and assessed the seven partnerships accordingly. They found that little significant change in the quality of the partnerships between Irvine and the participating community foundations resulted from CFI.

   Among partnership aspects that were measured, both Irvine and community foundation staff were least satisfied with the degree to which the community foundations were able to help Irvine Foundation program staff make better grants in their communities, as well as the degree to which the community foundations were able to gain content expertise and information from Irvine to inform their community work. Evaluators concluded that the quality of partnership, and its potential to grow under a capacity-building grant program is a function of such factors as the capacity and knowledge of community foundations to be fully engaged partners with the foundation; whether grantmaking approaches (content, size, frequency, geographical scope) are compatible; and the durability, breadth and quality of

relationships and mutual recognition among staff at both foundations — and, for multi-purpose private foundations, not just the responsible program person but a cross-section of staff from all relevant program areas as well as the CEO. In the case of CFI, evaluators questioned whether it was ever truly practical for the Irvine Foundation to achieve the goal of developing strong local partners for its programmatic work through the initiative. One obstacle was a basic incompatibility in approach. Because the Irvine Foundation's approach to grantmaking involves large, strategic, multi-year grants made through separate program areas and based on broad regional interests, it didn't lend itself to relationships with geographically circumscribed community foundations with more specific and local needs and interests.

COMMUNITY FOUNDATION PARTNERSHIP CONTINUUM

Evaluators developed the following continuum of partnering relationships between the community foundations and the Irvine Foundation and classified the seven CFI participants accordingly.



6. ***Provide local autonomy:*** East Bay's Mike Howe says there are good and bad ways to support community foundations — as well as good and bad ways for community foundations to receive support (see point 7). "It's not fair or wise for the private foundation to create an agenda that is so well thought out that the community foundation cannot put their handprint on it," Howe says. "I've seen a number of those initiatives come and go. There's a certain artificiality that plagues these kinds of initiatives from the start." Sonoma's Kay Marquet agrees: "The more a private foundation can encourage the community foundation to tackle an issue that the community foundation has selected, rather than one selected by the private foundation, the more successful the funded project is going to be."

7. ***Ensure it's about more than the money:*** "There are a variety of ways for private foundations to come in," says Humboldt's Peter Pennekamp. "One way is to come in and say, 'We just want these five meetings convened. They're really our meetings but we're paying you to do them.' That's fine, but be clear that's all you expect and don't expect anything else from that community foundation. The other way is when a foundation looks for real partners who've

got the depth that it's hard to bring in from out of the area. Private foundations like Irvine work with us because they know we're not fudging the local issues. Funders that have just wanted us to do their bidding have ended up not working with us." East Bay's Howe says a common hazard is for the community foundation to focus solely on getting the money, without looking carefully at what it's supposed to do once it gets the money. "You can find yourself in deep trouble if you don't understand what it is that you have to do," he says. "Even though the resources are substantial, they can in fact change the nature of your organization in ways that you may not have intended at the outset." Indeed, the CFI evaluation found that for some community foundations whose catalyst work faltered, lip service to the values, goals and program interest was no substitute for real commitment.

A **common hazard** is for the community foundation to focus solely on getting the money, without looking carefully at what it's supposed to do once it gets the money.

8. ***Plan for sustainability:*** Sustainability loomed as a particular bugaboo. The Irvine Foundation sought to ensure that participants paid attention to the catalyst activity's sustainability, but it did not succeed across the board. In particular, the Irvine Foundation did not require that all members of the cohort had a clear plan for sustaining projects. Some participants had such a plan. Others did not but grew enough to sustain the projects anyway. Still others did not develop and implement a clear plan, and are now, as CFI money ends, facing budget shortfalls. At the same time, some believe the requirement for sustainability plans might have dampened experimentation, as the community foundations would only pursue work for which funding was a sure thing and might not have engaged in more important, if less easily sustainable, catalyst projects. In retrospect, Irvine Foundation CFI leaders believe they should probably have phased out support over time, rather than offer the $250,000 per year over five years. This approach would have encouraged a gradual decrease in reliance on Irvine funding over time, pushing participants to find other sources of support while the initiative was still underway.

Appendix A

Participants in the Community Foundations Initiative

The following seven community foundations participated in The James Irvine Foundation's Community Foundations Initiative. For more information, please see The James Irvine Foundation's website at *www.irvine.org.*

The Community Foundation Serving Riverside and San Bernardino Counties
Riverside, California
www.thecommunityfoundation.net

Community Foundation of Santa Cruz County
Santa Cruz, California
www.cfscc.org

Community Foundation Sonoma County
Santa Rosa, California
www.sonomacf.org

The East Bay Community Foundation
Oakland, California
www.eastbaycf.org

The Humboldt Area Foundation
Bayside, California
www.hafoundation.org

The Sacramento Regional Foundation
Sacramento, California
www.sacregfoundation.org

The Ventura County Community Foundation
Camarillo, California
www.vccf.org

Appendix B

Practitioners consulted for this paper

To determine which findings from the CFI evaluation were of greatest interest to the field, The James Irvine Foundation asked Williams Group to consult with key practitioners in the community foundation field. These included community foundation executive directors, community foundation association leaders, private foundation program directors involved with community foundation capacity development, and consultants to the community foundation field. Interviews indicated that there was great interest in the community catalyst role and led to the development of this paper. The Irvine Foundation also conducted a roundtable teleconference in which practitioners discussed their experiences and ideas on doing and supporting community catalyst work. Following are the individuals who participated in the interviews and/or roundtable and whose views inform the content of *Community Catalyst*.

Community Foundation Representatives
Ben Johnson, *Greater New Orleans Foundation*
Donna Fisher-Parker, *Baltimore Community Foundation*
Jack Hopkins, *Kalamazoo Community Foundation*
Jan Kreamer, *Greater Kansas City Community Foundation*
Jennifer Leonard, *Rochester Area Community Foundation*
Kate McLean, *Ventura County Community Foundation*
Kay Marquet, *Community Foundation Sonoma County*
Mary Jalonick, *The Dallas Foundation*
Mike Howe, *East Bay Community Foundation*
Peter Pennekamp, *Humboldt Area Foundation*
Sterling Speirn, *Peninsula Community Foundation*
Teri Hansen, *The Venice Foundation*
Tom Peters, *Marin Community Foundation*

Private Foundation Representatives
Ace Yakey, *Lilly Endowment*
Barbara Kibbe, *David and Lucile Packard Foundation*
Chris Power, *Kansas Health Foundation*
Elan Garonzik, *C. S. Mott Foundation*
Jim Denova, *Claude Worthington Benedum Foundation*
Linetta Gilbert, *Ford Foundation*
Tom Reis, *W.K. Kellogg Foundation*

Consultants and Community Foundation Association Representatives
Diana Haigwood, *League of California Community Foundations*
Donnell Mersereau, *Council of Michigan Foundations*
Helen Monroe, *Endowment Development Institute*
Janet Topolsky, *The Aspen Institute*
Jeff Padden, *Public Policy Associates*
John Austin, *Public Policy Associates*
Paul Harder, *Harder and Company*
Suzanne Feurt, *Council on Foundations*

Contributors to this paper

The James Irvine Foundation is an independent grantmaking foundation dedicated to enhancing the social, economic, and physical quality of life throughout California, and to enriching the state's intellectual and cultural environment. The Foundation was established in 1937 by James Irvine, the California pioneer whose 110,000-acre ranch in Southern California was among the largest privately owned land holdings in the state. With assets of $1.2 billion, the Foundation expects to make grants of $51 million in 2003 for the people of California. For more information about The James Irvine Foundation, please visit *www.irvine.org.*

Public Policy Associates, Incorporated (PPA) is a national public policy research, development and evaluation firm based in Lansing, Michigan. The firm serves clients in the public, private, philanthropic and nonprofit sectors at the national, state, and local levels by conducting research, analysis, and evaluation that supports informed strategic decision-making. For more information about Public Policy Associates, visit *www.publicpolicy.com.*

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